

24ORE

**INTERIM  
MANAGEMENT  
STATEMENT AS AT  
31 MARCH 2015**

# 24 ORE GROUP

## INTERIM MANAGEMENT STATEMENT AS AT 31 MARCH 2015

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## **DIRECTORS' REPORT**

### ***Corporate bodies***

The Board of Directors and the Board of Statutory Auditors were elected by the Ordinary Shareholders'

Meeting on 29 April 2013.

The Board of Directors and the Board of Statutory Auditors will remain in office until the Shareholders' Meeting held to approve the 2015 separate financial statements.

### **Board of Directors**

Chairman	Benito BENEDETTI
Chief Executive Officer	Donatella TREU
Directors	LUIGI ABETE
	Antonio BULGHERONI
	Alberto CHIESI
	Maria Carmela COLAIACOVO
	Mario D'URSO (1)
	Marcella PANUCCI
	Alessandro SPADA
	Carlo TICOZZI VALERIO (1)
	Marco VENTURI

### **Secretary to the Board**

Gianroberto VILLA

(1) Independent Director

**Board of Statutory Auditors**

Chairman	Luigi BISCOZZI
Standing Statutory Auditors	Maurilio FRATINO Laura GUAZZONI
Alternate Statutory Auditors	Maria SILVANI Fabio FIORENTINO

**Internal Control & Audit Committee**

Chairman	Carlo TICOZZI VALERIO
Members	Mario D'URSO Alessandro SPADA

**Human Resources and Compensation Committee**

Chairman	Carlo TICOZZI VALERIO
Members	Mario D'URSO Antonio BULGHERONI

**Representative of special-category shareholders**

Mario ANACLERIO

**Corporate Financial Reporting Manager**

Valentina MONTANARI

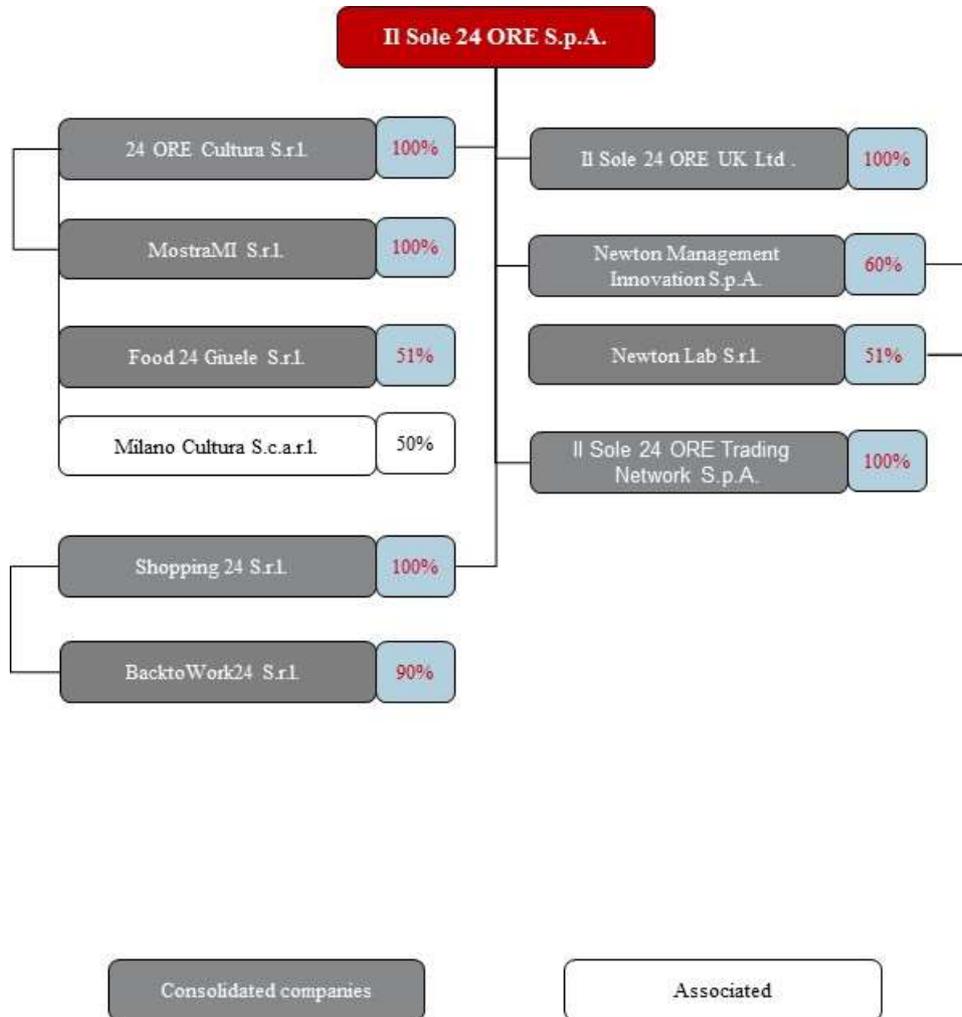
**Internal Audit Manager**

Massimiliano BRULLO

**Independent Auditor**

KPMG S.p.A.

**Structure of the 24 ORE Group**



## **Highlights**

*The figures are commented on a like-for-like basis, net of the disposal last year of the Business Media branch and of the Software Area.*

- **Group consolidated revenue of €84.8 million, up by €0.5 million** (+0.6% compared to the first quarter of 2014), continuing the positive dynamic which had begun in 2014, thanks to the strategic choice to implement a multimedia system with a chain of specialized digital daily media, which resulted in a growth in the revenue from high quality digital content, together with the good performance of the income from advertising and training.
- **The revenue from the digital content**, which increased by €2.2 million (+14.8%) compared to the same period last year, has exceeded the revenues from the paper content, reaching over 50% of total revenue from content, compared to 41% in the same period in 2014.
- The overall digital revenue of the Group totals €26.5 million, 31.2% of total revenues (29.1% in the first quarter of 2014), up by 7.8% compared to the same period in 2014.
- The circulation revenues of the newspaper are up (+0.9%) compared to the first quarter of 2014, countering the trend in the market. Advertising revenues in a market experiencing a drop of 5.2% have increased by 3.6%, the revenues from the Training Area by 13.1% and the revenues from the Culture Area by 2.1%.
- **Gross operating profit (EBITDA)**, has improved by €0.4 million (+28.3%) and is equal to €1.8 million, as compared to a result of €1.4 million in the first quarter of 2014. This result was obtained thanks to the increase in revenues and the constant attention to cost curbing, the effects of the organization of certain business areas and the reduction of operating costs of the corporate functions;
- **Il Sole 24 ORE** has confirmed its place as the leading digital newspaper in the first three months of 2015 with over 213 thousand digital copies in March 2015 (+25.4% compared to March 2014) and the second largest national newspaper in terms of paper + digital circulation with 389 thousand copies, paper + digital in March 2015 (+7.4% over March 2014), countering the trend in the market, which is contracting by 3.8% (source: ADS January-March 2015). Completing the Sole system, in addition to the paper in digital copies, are over 30,000 active, paying subscribers to [IlSole24ore.com](http://IlSole24ore.com).
- **The web site [www.ilssole24ore.com](http://www.ilssole24ore.com)**, Italy's first paying website, recorded almost 767 thousand unique browsers on average, up +8.7% with an increase in the average daily pages of 12.0% compared to the average for the first quarter of 2014 (source: *Omniure Sitecatalyst*). In the 1st quarter of 2015 the mobile version of the website grew by 196.4% among average daily unique browsers and 66.3% in the average daily pages (source: *Omniure Sitecatalyst*), following the graphics restyling and content layout optimisation.

- **System advertising revenue was €33.3 million**, up by 3.6% compared to the first quarter of 2014, in a contracting market by 5.2%, thereby ensuring a result that is completely opposite to that of the media sector in general. All media results outperformed the market: Radio 24 (+12.6% vs. 5.2% market), printed (+2.8% vs. 8.0% market), online (-1.0% vs. -5.3% market) - *Source: Nielsen – January – February 2015*. The agency experienced an increase in revenues on printed media of €0.6 million, compared to the same period in 2014.
- In 2014, **Radio 24** secured its position at no. 9 in the ranking of domestic radios, with 1,965 thousand listeners which increase to 2,178 thousand from Monday to Friday. Radio 24 advertising revenues have increased by 12.6% compared to the first quarter 2014, with performance that was better than the national radio market (source: 6.2% *Fcp Assoradio January – March 2015*). In terms of space Radio 24 was at +9.2% compared to the same period the previous year (source: *Nielsen analysis per second January – March 2015*), and its positioning in seconds compared to the total radio market remains steady at 9.4%.
- The revenues from the **Training and Events Area** grew by €1 million, or 13.1% to €8.7 million, thanks to the increase in the sales and the offer provided by the business school and the increase in the Newton client portfolio.
- **The Culture Area** confirmed its leadership nationally, with an increase in revenue of 2.1%.
- **The net result attributable to owners of the parent**, improved by €3 million (+51.7%) but is negative by €2.8 million, compared with the result of €-5.8 million in the first quarter of 2014.
- **The net financial position** was negative by €21.2 million (€+2.2 million as at 31 December 2014).

## ***Operating performance as at 31 March 2015***

### **Market environment**

The market figures for the first quarter of 2015 still show a downward trend compared to 2014 both in terms of advertising revenue and daily newspaper circulation.

The advertising market as a whole, considering all media including television, in the first quarter of 2015 fell by 5.2% compared to the same period in 2014.

Press advertising revenue is still suffering (-8%) with daily newspapers contracting by 8.9% and magazines by 6.2%. Investments decreased for the online segment (-5.3%), while those related to the radio reported a 5.2% increase (Source: *Nielsen, January-February 2015*).

As regards circulation, ADS figures for January-March 2015 show a drop in printed national daily newspaper circulation of around 9.1% compared to the same period of 2014. The circulation figures for printed plus digital copies show a 3.8% decrease.

The first two months of 2015 showed a trend similar to the previous year for the professional segment, thereby confirming the 2015 forecast of a general decline of approximately -5% compared to 2014 (source *Databank 2014*).

With regard to radio, the most recent audience data for all of 2014 indicate that the daily radio audience was 34,314,000 listeners on average, recording a 1.5% decrease (-539,000) compared to 2013.

The ongoing economic crisis has led to increasing difficulties in final demand in the Group's top markets: companies, households and professionals. Signs of recovery are visible for 2015 and they are confirmed by the estimates of Centro Studi Confindustria, which forecasts growth of 0.7% for Italy.

The consumption model is evolving in favour of electronic media, databases, online services and products. This phenomenon led to a downturn in expenditure, due to the difficulty to sell online information on the professional market at a price that is suitable for the paper version.

## Performance of the 24 ORE GROUP

Disposal of the 100% investment in 24 Software S.p.A. share capital to TeamSystem S.p.A. was finalised on 28 May 2014. This transaction was handled by applying IFRS 5. *Profit(loss) from discontinued operations* includes the profit and losses of the area that was sold, including the capital gain recognised net of costs to sell. The summary data below was restated following the above mentioned sale.

HIGHLIGHTS OF 24 ORE GROUP		
Thousands of Euro	1 <sup>st</sup> quarter 2015	1 <sup>st</sup> quarter 2014 restated
Revenue	84,805	85,015
Gross operating profit (loss) (EBITDA)	1,827	242
Operating result (EBIT)	(1,999)	(3,403)
Pre-tax profit	(2,285)	(4,158)
(Profit) Loss from continuing operations	(2,987)	(4,951)
Profit (loss) from discontinued operations	-	(794)
Profit (loss) attributable to owners of the parent	(2,817)	(5,826)
Net financial position	(21,209)	2,215 (1)
Equity attributable to owners of the parent	106,987	109,804 (1)
Employee headcount at the end of the period	1,229	1,228 (1)

(1) Value as at 31 December 2014

For the purposes of the Directors' Report, the economic effects of other extraordinary transactions in 2014 are presented in a single line, named *Profit (loss) from other discontinued assets*. The costs connected to the sale of the Business Media business branch are included among these transactions.

The income statement figures reported and commented in the Directors' report, both consolidated and by business segment, are on a like-for-like basis for ease of comparison.

HIGHLIGHTS OF 24 ORE GROUP ON A LIKE-FOR-LIKE BASIS		
Thousands of Euro	1 <sup>st</sup> quarter 2015	1 <sup>st</sup> quarter 2014
Revenue	84,805	84,339
Gross operating profit (loss) (EBITDA)	1,827	1,424
Operating result (EBIT)	(1,999)	(2,214)
Pre-tax profit	(2,285)	(2,970)
Loss on a like-for-like basis	(2,987)	(3,763)
Profit (loss) from discontinued operations	-	(794)
Profit (loss) from other discontinued assets	-	(1,188)
Profit (loss) attributable to owners of the parent	(2,817)	(5,826)
Net financial position	(21,209)	2,215 (1)
Equity attributable to owners of the parent	106,987	109,804 (1)
Employee headcount at the end of the period	1,229	1,228 (1)

(1) Value as at 31 December 2014

In the first quarter of 2015, the 24 ORE Group achieved **consolidated revenues** of €84.8 million, up by €0.5 million compared to the same period of 2014. The increase in revenues was obtained thanks to the innovation of the products and services with a focus on customer requirements and integration of content which made it possible to achieve newspaper circulation revenues up by 0.9%, with circulation up by 7.4% in a market that is contracting by 3.8% (source ADS data January – March 2015), a significant increase in advertising revenue of 3.6%, which counters the trend in the market (-5.2% Source: *Nielsen January – February 2015*). Revenue from the Training Area (+13.1%) and the Culture Area (+2.1%).

The **revenue from the digital content**, which increased by €2.2 million compared to the same period last year, has exceeded the revenues from the paper content, reaching over 50% of total revenue from content, compared to 41% in the same period in 2014.

The overall digital revenue of the Group totals €26.5 million, 31.2% of total revenues (29.1% in the first quarter of 2014), up by 7.8% compared to the same period in 2014.

In particular:

- System advertising revenues of €33.3 million, is up by €1.2 million (+3.6%) compared to the first quarter of 2014, going against the trend in the market which is contracting by 5.2%. Revenue is increasing on Group media (€+0.4 million, +1.2%) and on third party publisher media (€+0.8 million, +14.1%). This result was achieved in particular thanks to the growth in the print media revenue (+2.8% vs. -8.0% on the market) and Radio 24 (+12.6% vs. 5.2% for the market). We note in particular that the internet advertising revenue held up (-1% compared to a declining market by 5.3%) – *Source: Nielsen – January – February 2015*. The better performance of the agency compared to that of the market is the result of a new commercial policy, based on an increased sales price, the broadening and enrichment of the offering portfolio through the new monthly publication *HTSI (How to spend it)*, and the expansion and diversification of the customer portfolio. The development of numerous integrated multimedia communication projects continues (print, radio and Internet), including through special initiatives created ad hoc for customers;
- the newspaper circulation revenues are up by 0.9% compared to the first quarter of 2014. This result was spearheaded by the new integrated offer system, which contributes significantly to the increase in the circulation of the newspaper. Il Sole 24 ORE has confirmed its place as the leading digital newspaper in the first three months of 2015 with over 213 thousand digital copies in March 2015 (+25.4% compared to March 2014) and was the second largest national newspaper in terms of paper + digital circulation with 389 thousand copies, paper + digital in March 2015 (+7.4% over March 2014). Completing the Sole system, in addition to the paper and digital copies, there are over 30,000 active, paying subscribers of *IlSole24ore.com*.
- revenue from the Training Area is €8.7 million, up by €1million or 13.1%, due to the good performance of the part time masters degree (+28.1%), and the development of the Newton line and revenues, attributable in particular to the acquisition of new customers in our portfolio;

- revenue from the Culture Area of €5.5 million has increased 2.1% compared to the first quarter of 2014, despite the fact that certain exhibitions were inaugurated behind schedule. In the first three months of 2015, the *Chagall*, *Van Gogh*, *Giacometti*, *Divina Marchesa* exhibitions were concluded and were followed by the *Food*, *Medardo Rosso*, *Klimt* (Paris), *Mirò* Mantua exhibitions. In March, the exhibitions dedicated to Henry Rousseau and Tamara de Lempicka were inaugurated in Venice and Turin respectively and the Culture Museum – MUDEC was inaugurated in the former Ansaldo premises in Milan;
- revenues from the sale of collateral products, books and paper periodicals have dropped by €2.9 million (-34.8%) compared to the first quarter of 2014, which benefited from the positive result of the BBC English collection, due to the migration to digital media of certain titles and the continual rationalization of the book and collateral collection catalogue, as required by the focus on the profitability of the products.

**Total costs** are equal to €86.3 million, in line with the first quarter of 2014. Certain types of costs decreased, due to implementation of the digital strategy and the policies and efforts to contain all types of costs, in particular:

- the costs for raw materials and consumables of €3.4 million, dropped by €1 million (-23.4%), mainly due to the policy implemented by the Group involving the migration to digital media, with the consequent reduction of the average circulation of the newspaper and other paper products;
- the distribution costs of €6.2 million, have decreased by €1 million (-13.3%) mainly due to the lower volumes of paper products distributed;
- the print costs have dropped by 5.3%, mainly on account of the newspaper, due to the reorganization of the production structure;
- decentralized service costs of the corporate functions have dropped by €1.3 million, compared to the first quarter of 2014 and represent 11.4% of consolidated revenue in the first quarter of 2015, compared to 13% in the same period of 2014.

Certain types of costs have increased as they are directly related to top line growth. In particular:

- advertising costs for third-party publishers increased by €5.2 million (+14.1%) due to the higher revenue from licensed publications and the acquisition of new titles;
- costs associated with events organised by Newton rose by €0.8 million, directly related to the higher revenue;
- sales costs increased by €1.7 million (+32.9%), in particular on account of the different mix of products sold, together with the effect arising from the agency agreement concluded with TeamSystem, the purchaser of the Software area following the sale thereof.

The **personnel expense** of €27.7 million, is in line with the first quarter of 2014: the drop in the cost deriving from the average headcount reduction, together with the benefits from the increase in the solidarity agreements, made it possible to neutralize the higher costs arising from application of the collective labour agreements.

Employees in service as at 31 March 2015 were 1,229, compared with 1,228 as at 31 December 2014 on a like-for-like basis. Average headcount on the like-for-like basis decreased by 13 units toward the first quarter of 2014 and equals 1,207 persons, as compared to the figure as at 31 March 2014 of 1,220.

**Gross operating profit (EBITDA)** showed a clear improvement of €0.4 million (+28.3%) to stand at €1.8 million (€1.4 million in the 1st quarter of 2014), as a result of **increased revenues** particularly advertising, training and digital products, together with the constant focus on cost containment, optimisation of the organisational, production and distribution structure and on process efficiency in all areas of the Group.

The **operating result (EBIT)** has improved by €0.2 million, compared to the first quarter of 2014 (+9.7%), but is negative by €2.0 million compared to negative EBIT of €2.2 million in 2014. Depreciation, amortisation and impairment totalled €3.9 million, in contrast with €3.6 million in the same period last year.

**The result from discontinued operations** in the first quarter of 2014 was negative by €0.8 million and referred to the net result from the Software area sold in May 2014; the **results from other discontinued assets** in the first quarter of 2014 was negative by €1.2 million and referred to the profit and losses of the Business Media branch, the sale of which was concluded in January 2014.

The **net result attributable to owners of the parent**, improved by €3 million (+51.7%) but is negative by €-2.8 million, compared with the result of €-5.8 million in the first quarter of 2014.

The **net financial position** is negative by €21.2 million, compared to a value of €+2.2 million as at 31 December 2014 and has decreased mainly due to the performance of the net working capital, in relation to the dynamics of the payments of the beginning of the year, the differing seasonality of the collections and the net investments.

## Segment reporting

The table below provides the basic Group figures broken down by segment.

INCOME STATEMENT BY SEGMENT						
SEGMENT	Revenue from third parties	Revenue between segments	Tot. Revenue	EBITDA	Amort./Depr./Impairment losses/capital losses	EBIT
<b>PUBLISHING</b>						
1 <sup>st</sup> Quarter 2015	37,059	21,153	58,212	1,620	(1,772)	(152)
1 <sup>st</sup> Quarter 2014	38,999	21,142	60,141	2,993	(1,754)	1,238
<b>SYSTEM</b>						
1 <sup>st</sup> Quarter 2015	33,273	2	33,275	1,458	(2)	1,457
1 <sup>st</sup> Quarter 2014	32,087	38	32,125	753	(2)	751
<b>TRAINING AND EVENTS</b>						
1 <sup>st</sup> Quarter 2015	8,514	222	8,737	1,146	(46)	1,100
1 <sup>st</sup> Quarter 2014	7,598	130	7,728	1,301	(39)	1,262
<b>CULTURE</b>						
1 <sup>st</sup> Quarter 2015	5,408	50	5,458	(204)	(13)	(217)
1 <sup>st</sup> Quarter 2014	5,337	8	5,346	476	(14)	462
<b>CORPORATE AND CENTRALISED SERVICES</b>						
1 <sup>st</sup> Quarter 2015	551	-	551	(2,194)	(1,993)	(4,186)
1 <sup>st</sup> Quarter 2014	318	-	318	(4,098)	(1,830)	(5,928)
<b>CONSOLIDATED</b>						
1 <sup>o</sup> Quarter 2015	84,805	-	84,805	1,827	(3,826)	(1,999)
1 <sup>o</sup> Quarter 2014	84,339	-	84,339	1,424	(3,639)	(2,214)

## Publishing

Publishing is the division that heads of the newspaper Il Sole 24 ORE, in the paper and digital versions; the digital products connected to the daily newspaper, the magazines and add-on products; professional publishing, with its technical and regulatory content products targeted to professionals, the companies and the public administration; the Radiocor, Radio 24, radio news & talk of the Group.

PUBLISHING AREA REVENUE			
in thousands of euro	1st quarter 2015	1st quarter 2014	% change
Circulation/other revenue	37,208	38,977	-4.5%
Advertising revenue	21,004	21,164	-0.8%
<b>Revenue</b>	<b>58,212</b>	<b>60,141</b>	<b>-3.2%</b>
Gross operating profit (loss) (EBITDA)	1,620	2,993	-45.9%
EBITDA Margin %	2.8%	5.0%	-2.2 p.p.
Operating result	(152)	1,238	-112.3%

## Market trend

In the first three months of 2015, the results in the market in which this publisher operates, which is still pursuing a downward trend, are similar to those achieved in 2014.

The advertising market in the period from January – February 2015 experienced a total drop of 5.2%, the newspapers had a drop of 8.9% and magazines of 6.2%. The only medium going contrary to this trend is radio which increased by 5.2%. Internet had a drop of 5.3% (source: *Nielsen January–February 2015*).

As regards circulation, ADS figures for January-March 2015 show a drop in printed national daily newspaper circulation of approximately 9.1% compared to the same period of 2014. The circulation figures for printed plus digital copies show a 3.8% decrease.

The first two months of 2015 showed a trend similar to the previous year for the professional segment, thereby confirming the 2015 forecast of a general decline of approximately -5% compared to 2014 (source *Databank 2014*).

With regard to radio, the most recent audience data for all of 2014 indicates that the daily radio audience was 34,314,000 listeners on average, a 1.5% decrease (-539,000) compared to 2013.

## Area performance

In the first quarter of 2015, the effort aimed at market integration and offering the newspaper in both paper in digital form, with connected digital products, the magazines, bundled on products and professional publishing targeted to the tax – labour, legal, technical and public authority markets continued. The innovative system consisting of offers to the main market segments and sub segment

was enriched, with the objective of increasing average spend per customer and penetrating further the upper level of the professional market.

The **Publishing area** closed the first quarter of 2015 with **revenues** of €58.2 million (-3.2% compared to the first quarter of 2014). The circulation revenue totalled €37.2 million, down by €1.8 million (-4.5% compared to the same period in 2014) as a result of the drop in the paper version of the bundled on products, magazine, specialized magazines and books. The positive performance of the circulation revenues for the daily newspaper, which went up (0.9%) countering the trend in the market of reference. The revenue from the **digital information content** (daily, daily vertical digital version, digital professional periodicals, databases), which increased by €2.2 million or 14.8% compared to the same period last year, have exceeded the revenues from the paper content, reaching over 50% of total revenue from content, compared to 41% in the same period in 2014.

**Advertising revenue** amounted to €21 million, in line with the same period of the previous year. Advertising revenue for Radio24, in a market that is increasing by 5.2%, has increased by 12.6%.

The Publishing area's **gross operating margin** is positive by €1.6 million, confirming the dynamics that were already apparent in the last period, which are connected to the strategic choices focused on digital innovation and rationalization and increasing the value of the product portfolio, while also containing costs and streamlining processes. Compared to the same period in the previous year, the gross operating margin has dropped by €1.4 million, due to the drop in the Paper Products (newspaper, periodicals and collaterals) and the higher sales costs.

In 2015, development continued of an innovative offering system with the introduction onto the market of products and solutions that contribute to the objective of maintaining our position as market leader insofar as the **newspaper** and maximizing the strategic value of the Group businesses, offering products, services and innovative instruments able to satisfy all the information and training requirements of the various customer segments.

The new integrated continuous offer system has contributed significantly to the increase in the distribution of the daily newspaper Il Sole 24 ORE, which has confirmed its place as the leading digital newspaper in the first three months of 2015 with over 213 thousand digital copies in March 2015 (+25.4% compared to March 2014) and the second largest national newspaper in terms of paper + digital circulation with 389 thousand copies, paper + digital in March 2015 (+7.4% over March 2014). Completing the Sole system, in addition to the paper in digital copies, there are over 30,000 active, paying subscribers of IISole24ore.com.

In particular, the vertical dailies continued to form an integral part of the Group's strategy for the development of the daily newspaper: in the initial months of 2015, new vertical dailies were developed focusing on *Financial Services*, *Consulente Finanziario24* and *Assicurazioni24* and the new digital daily focused on Health was launched. The latter collects information, focuses on analysis and regulatory issues regarding health, in addition to providing authoritative daily financial and regulatory information about the sector.

Again in terms of the daily publication, the actions aimed at enriching the services with a series of weekly features, including the *Antologia della Risata* (Laughter Anthology), the *Jobs Act* book and the Il Sole 24 ORE Focus, also available in digital form as an e-book, were created by the Norme e Tributi (Regulatory and Tax) editorial staff and focus on new issues in the areas of labour, social security, corporate and taxation.

Two appointments, which have by now become permanent, were made with readers of Il Sole 24: the first, is on 29 January 2015 with the 24<sup>th</sup> edition of Telefisco, the convention in which experts associated with the newspaper and financial authority functionaries presented the main new areas of the stability law, with record participation of 110,000 professionals and 114 locations throughout Italy. The second appointment was held on 13 March for the 16th edition of Premio Alto Rendimento, recognition of Il Sole 24 ORE to Italian and foreign holding companies and open-end investment companies that achieved the best performance.

Multimedia development continues of the brand *Nòva*, with a new issue of *La Vita Nòva*, the digital magazine available on tablet which is dedicated to light and design, published in the first quarter. With *Nòva24*, the section of the magazine dedicated to innovation, the interest of the market for *Nòva Progetti* in depth studies within Il Sole 24 ORE has been confirmed. This issue is available on newsstands every Wednesday.

*How to Spend it* confirms the positive results of the luxury and lifestyle segment of the magazine, with good advertising revenues during the quarter. In April, the magazine doubled its presence on the newsstand with two additions, one of which is dedicated to the world of design.

In January, the Pitti Immagine Uomo edition gave the opportunity to provide further visibility to the fashion, luxury and lifestyle products with targeted distributions of *How To Spend It*, *IL* and *Moda24*. In particular, the new issue of *Moda24 Speciale Pitti* was launched; this is a 32 page insert once again enriched with a virtual reality app that transforms reading into an interactive and multimedia experience, thereby offering a magazine that is rich with content connected to the fashion world.

The web site *www.ilsole24ore.com*, Italy's first paying web site, recorded almost 767 thousand unique browsers on average, up +8.7% with an increase in the average daily pages of 12.0% compared to the average for the first quarter of 2014. (source: *Omniture Sitecatalyst*). In January, the web site had record traffic in terms of unique browsers, exceeding 12 million. In the 1st quarter of 2015 the mobile version of the website *www.ilsole24ore.com* grew by 196.4% among average daily unique browsers and 66.3% in the average daily pages (source: *Nielsen Site Census/Omniture Sitecatalyst*), following the graphics restyling and content layout optimisation.

The growth continues in the social sphere, as at 31 March Il Sole 24 ORE's official Facebook page counted 540,000 fans, up 33% compared to the figure reported on 31 March 2014. The number of followers on Twitter exceeded 2 million (Source: internal data).

The total paper revenues from **specialized periodicals and books** dropped by 24.9%, due to the contraction of the market and the decision to rationalize the portfolio.

The performance to other revenues from **digital publishing** products for professionals had a positive dynamic compared to the first quarter of 2014, thanks in particular to the result of *PlusPlus24 Fisco*.

In the initial months of 2015, the work on the development and innovation of the digital publishing offering continued, particularly insofar as databases and *PlusPlus24 Fisco*, launched in November 2014 and targeted to tax professionals. The innovation of this offer was made possible also thanks to the innovation work on the technological platforms and the development process, the attention paid to the design and the user friendliness of a digital project that increased the value of the richness and authoritativeness of the Group content and strength of the brand. The results achieved in terms of market response were very encouraging: *PlusPlus24 Fisco* has proven to be a very appreciated solution by the high level segment of the tax professional market. Based on the success of *PlusPlus24 Fisco*, *PlusPlus24 Lavoro* was launched in April. It is targeted to employment professionals.

In March, another monthly magazine was launched called *Norme e Tributi Mese* which is the result of the collaboration between the Norme e Tributi (Regulatory and Tax) editorial staff and the professional editorial staff. This is a magazine, available both on paper as well as in digital form, containing interpretations of the doctrine, with the scientific committee composed of our newspaper's most prestigious writers. The magazine is sold on the newsstand and on a subscription basis, and achieved excellent sales.

Furthermore, the process for the development of the digital periodicals continues with the launch in January of the new digital version of *Guida al Lavoro*, which joins *Guida al Diritto*, *Settimana Fiscale*, *Guida ai Controlli Fiscali* and *Guida a Contabilità e Bilancio*.

Additionally, the new *Banca Dati 24*, was developed. It is a platform through which personalized content for large customers and companies is provided.

Il Sole 24 ORE has confirmed its position as a privileged partner and point of reference for Italian professionals and companies, also thanks to the constant presence in the country of the major professional meetings, providing opportunities for direct contact with our clients, but also large scale business opportunities for presenting and selling our editorial products and solutions.

With regard to the radio, the most recent audience figures for the radio in Italy refer to all of 2014 and total 34,314,000 listeners on the average per day, with a contraction of 1.5% (-539,000) compared to 2013. In 2014, **Radio24** secured the ninth position in the ranking of national radios with 1,965 thousand listeners which increase to 2,178 thousand from Monday to Friday. Among the leading 15 national broadcasters, Radio 24 has been the only one to grow in the second quarter of 2014, compared to the second half of 2013, obviously countering the trend in the market.

The good result achieved by Radio 24, in addition to increasing the total audience (+0.4% with 1,965,000 listeners) Radio 24 has achieved a 12% increase in listenership in the average quarter of an hour, confirming the increase in the duration of the listenership of each individual listener. In the first quarter of 2015, the performance appears to confirm the appreciation of the listeners.

In the initial months of 2015, **Radio 24** enriched its programming with new shows and the addition of two very well known persons in the Italian music and comedy areas: Enrico Ruggeri and Leonardo Manera. From 2 February, Enrico Ruggeri has been presenting the radio show "Il Falco e il gabbiano" [the falcon and the seagull] which airs from Monday to Friday from 3:30 PM to 4:30 PM and the show "Avanzi di Manera" hosted by Leonardo Manera began airing on 7 February, on Saturdays from 2:30 PM to 3:00 PM.

At the end of March, the new Radio 24 website for the web, tablets and smart phones was launched. It has been enriched with new services and functionalities aimed at developing interactivity with the public and using the radio online as well. Particular attention was placed integrating the social media and using the mobile version of the website.

Radio on demand has become more and more popular and during the first quarter of 2015, the number of audio files and podcasts downloaded increased by 27% compared to the same quarter in the previous year, with over 4,380,000 files downloaded.

Radio 24 advertising revenues have increased by 12.6% compared to the first quarter 2014, with performance that was better than the national radio market by 6.4% (source: *Fcp Assoradio January – March 2015*). In terms of space Radio 24 was at +9.2% compared to the same period the previous year (source: *Nielsen analysis per second January-March 2015*), and its positioning in seconds compared to the total radio market remains steady at 9.4%.

**The Radiocor agency** experienced a drop of €0.3 million in the initial months of 2015 compared to the same period in 2014. The lines along which development is planned provide for even greater integration of the Agency offer with the multimedia offer of Il Sole 24 ORE, accompanied by efforts aimed at innovation of the offer and evolution of the product portfolio in synergy with the Group Financial Services offer with attention to cost rationalization.

## System – Advertising sales

*System is the division acting as the advertising sales agency for the Group's main media and for some third-party media.*

SYSTEM AREA REVENUE			
(in thousands of euro)	1st quarter 2015	1st quarter 2014	% change
Captive Revenue	26,506	26,191	1.2%
Non-captive revenue	6,769	5,933	14.1%
<b>Revenue</b>	<b>33,275</b>	<b>32,125</b>	<b>3.6%</b>
Gross operating profit (loss) (EBITDA)	1,458	753	93.6%
EBITDA Margin %	4.4%	2.3%	2.0 p.p.
Operating result	1,457	751	93.9%

## Market trend

The advertising market once again ended the first 2 months of 2015 down, this time by 5.2% (-2.5% in 2014). TV, which represents 62% of the market, had a drop of 4.9%, while all the major media are down: dailies (-8.9%), magazines (-6.2%), internet (-5.3%). Only radio (+5.0%) outdoor advertising and transit advertising had positive performances. (Source: Nielsen – January - February 2015; last consolidated data).

## Area performance

**System** is running counter to the market, as the latter is experiencing a 5.2% drop, and closes the first quarter of 2015 up by 3.6%, with revenues of €33.3 million (€32.1 million in the first quarter of 2014). The revenues on the Group media have increased by €0.3 million (+1.2%) compared to the first quarter of 2014, in particular thanks to the growth experienced by the print and radio areas. The non captive revenues have increased by €0.8 million, mainly thanks to the increase on the foreign publications.

The System outperformance of the market is attributable to the introduction of a new commercial model, together with a price increase policy on all media, the development of new multimedia initiatives of the Group (Sole System) and the involvement of a broader customer portfolio through the acquisitions of new licenses of third party sites and international publications and the new monthly HTSI (*How To Spend It*) in Italy.

System continues its activity of developing numerous integrated multimedia (print – radio – Internet) communications projects, and special initiatives created ad hoc for customers, ensuring significant presence in the country, including through Radio 24, with customer sponsored activities.

Compared to a market that was being pulled significantly down in the first two months (-8%), the **print** agency experienced growth of 2.8%, thanks also to the contribution of the revenue from HTSI (*How To Spend It*) in Italy. This performance runs counter to the latest numbers published by *FCP-Osservatorio Stampa*, progressive up to March (-6.4%).

Overall, **Il Sole 24 ORE** (daily + supplements) closed the quarter 2015 with a drop of 5.6%, much more contained than the drop experienced by the market (-8.9% source: *Nielsen January–February 2015*; -7% source: *FCP January-march 2015*). This result was reached thanks to the growth of the selling price of the commercial advertising (+1%) and the increase of innovative communication projects dedicated to customers which made it possible to attract advertising investments that would otherwise have been dedicated to other initiatives. Financial advertising ended the first quarter 2015 essentially in line with 2014.

**Radio 24** reported more than double growth (+12.6%) compared to the entire radio market (+5.2% Source: *Nielsen January–February 2015*; +6.2% Source: *FCP-Assoradio January – March 2015*). System's capacity to promote on the market the quality and uniqueness of the publishing offer of the Group's Radio, through a valid commercial policy, the development of special projects and a presence in the country with initiatives sponsored by customers.

**Internet** revenues are slightly down (-1%) in an online market down by -5.3% in the first two months (Nielsen; January – February); the trend was confirmed also by the last update *FCP-Assointernet progressive up to March* (-2.4%). The performance is positive and therefore runs counter to the market trend, if total online is considered net of the funds segment.

During the second half of 2014, the agency initiated a deep rooted restructuring the benefits of which are becoming fully apparent in 2015, with EBITDA of €1.5 million, an improvement of 93.6% compared to same period in 2014.

## Training and Events Area

*The Training and Events area provides specialist training to young university graduates, managers and professionals and organises annual conferences and events on a contract basis for large customers all over Italy. Included in this area are the activities of the subsidiaries Newton Management Innovation S.p.A. (a management consulting and training company) and Newton Lab S.r.l. (an event organising and multimedia content management agency).*

### TRAINING AREA REVENUE BY SEGMENT

(in thousands of euro)	1 <sup>st</sup> Quarter 2015	1 <sup>st</sup> Quarter 2014	% change
Business school	4,254	3,904	9.0%
Annual Training and Events	452	722	-37.5%
Newton Man. Innov. and Newton Lab products	3,523	2,638	33.5%
Training for Professionals and SMEs	509	464	9.6%
<b>Revenue</b>	<b>8,737</b>	<b>7,728</b>	<b>13.1%</b>
Gross operating profit (loss) (EBITDA)	1,145	1,301	-12.0%
EBITDA Margin %	13.1%	16.8%	-3.7 p.p.
Operating Result	1,099	1,262	-12.9%

## Market trend

The training market, excluding financial training, had estimated revenue of €300 million (source: *Asfor 2014*). Unlike last year, the companies that declare an increase to their budget (16.4%) exceed those that indicate that they will reduce it (15.1%).

Classroom training continues to be the most common format: over half of training activities planned by companies take place with an active instructor, who is sometimes a line manager. However, mention must be made of the training acquired on the job and from coaching. E-learning is used in over 10% of the training programs and in fact various companies are experimenting with the use of social learning through the creation and development of professional networks in which the main purpose is the sharing of know how.

Regarding the events market, 2014 was a year in which the trend reversed and there was an increase in investments in events by Italian companies: the overall expense is of €785 million (+2% compared to 2013 – Source: *Event Report – Astra Ricerche ADC Group – November 2014*).

## **Area performance**

The revenues from the *Training B.U.*, including the revenues from 24 ORE Training, Events and Newton line total €8.7 million and are up by 13.1% compared to the first quarter of 2014, particularly thanks to good performance of the Business School and the products of the subsidiaries Newton Management Innovation e Newton Lab.

**Business school** revenue totalled €4.3 million, up 9% on the same period of last year. We note the Part Time Masters recorded growth of 28.1% compared to 2014, with 81 initiatives that involved over 1,600 managers. Growth also derives from the further expansion of the Master Executive line, in English and in Italian.

The revenues of Newton Management Innovation in the training market and of Newton Lab in the events market show considerable growth (33.5%) due mainly to the development of new clients with a consequent increase in the market share, although average profitability of events is lower than the first quarter of 2014.

EBITDA for the training and events area is equal to €1.1 million, down by €0.2 million compared to the first quarter of 2014, mainly on account of the lower profitability of certain events.

## Culture

This Area includes Group activities in the Culture segment, through 24 ORE Cultura S.r.l., and works in the area of the production of publishing content in two segments: the production of exhibitions and book publication.

CULTURE AREA RESULTS			
(in thousands of euro)	1st quarter 2015	1st quarter 2014	% change
Circulation/other revenue	5,458	5,346	2.1%
<b>Revenue</b>	<b>5,458</b>	<b>5,346</b>	<b>2.1%</b>
Gross operating profit (loss) (EBITDA)	(204)	476	-142.8%
EBITDA Margin %	-3.7%	8.9%	-12.6 p.p.
Operating Result	(217)	462	-146.9%

## Market trend

Based on the latest available data, the market for the production of exhibitions has shown growth of 4% in revenues (Source: SIAE – May 2014 on 2013 data).

## Area performance

The Culture Area had revenues of €5.5 million in the first quarter of 2015, up by 2.1% compared to the same period in 2014. This result was reached despite the fact that the *Africa e Mondì* exhibition in Milan and the *Tamara de Lempicka* exhibition in Turin were inaugurated a month later than scheduled.

The area EBITDA has decreased by €0.7 million. This shift is mainly due to the differing composition of the exhibitions which, compared to 2014, were less profitable on the average in the first quarter of 2015, including as a result of a lower level of sponsoring and events, which was also due to the late inauguration of the two exhibitions (*Africa e Mondì* in Milan and *Tamara de Lempicka* in Turin).

In the first three months of 2015, *Chagall*, *Van Gogh*, *Giacometti*, *Divina Marchesa* exhibitions ended, while the *Food*, *Medardo Rosso*, *Klimt (Paris)*, *Mirò Mantua* exhibitions are still open. In March the exhibitions dedicated respectively *Henry Rousseau* and *Tamara de Lempicka* were inaugurated in Venice and Turin, respectively and the *Africa e Mondì* exhibition was inaugurated in Milan.

On 26 March 2015 the Museo delle Culture – MUDEC was inaugurated in the former Ansaldo premises, with launching of the exhibitions. MUDEC is the result of the recovery of industrial archaeology in one of the most lively quarters in Milan, the Tortona area. The management of the museum is a public – private endeavour involving the Municipality of Milan and 24 ORE Cultura. The Museo delle Culture will house large international exhibitions featuring various artistic genres. The building offers many entertainment options from a bistro to a restaurant, a design store to a bookshop, the *Mudec Academy* auditorium and educational areas for children.

## **SIGNIFICANT EVENTS IN THE FIRST THREE MONTHS OF 2015**

On 23 February 2015, an agreement was signed with the polygraphics unitary union bodies for the two year period March 2015 – February 2017, for renewal of the solidarity contract for employees with the polygraphics employment contract.

With this agreement, compared to the previous two year period, a significant increase in savings on labour costs was obtained. In particular, in the areas in which the daily newspaper is prepared (approximately 100 persons) the savings goes up to 35/40%.

The agreement furthermore provides for maintenance of this savings level in the next year as well in terms of the solidarity contract, through available instruments that are not socially traumatic.

On 27 March 2015 an agreement was signed with the graphics union bodies for renewal of the solidarity contract for the two year period March 2015 – February 2017.

With this agreement, compared to the previous two year period, additional savings on the cost of labour of the employees with a graphics contract is achieved, which differs from branch to branch.

On 9 February 2015, the subsidiary 24 ORE Cultura S.r.l. acquired 100% of the share capital of MostraMi S.r.l., which operates in the ticketing and reception areas for exhibitions and events.

On 5 March 2015, the company Food 24 Giuele S.r.l. was established. 24 ORE Cultura S.r.l. holds 51% of the share capital of the latter company. The company will operate in the restaurant area, within the Ansaldo project.

On 26 March 2015 the Museo delle Culture – MUDEC was inaugurated in the former Ansaldo premises, with launching of the exhibitions *Africa e Mondì* a Milano.

On 13 March 2015, the Board of Directors approved the 2015-2019 plan which provides for growth internally based on the following main strategic objectives:

- digital innovation of products and services segmented by market sector and, in particular, targeted to the upper level;
- integration of all the group product contents (Sole System), using their leadership position of the Daily as leverage;
- domestic and international development of the Culture and Training areas;
- development of the agency, including realization of integrated communication projects in addition to maintenance of the value of the high spending target;
- ongoing streamlining of the organizational and production structure and of the processes;
- generation of economic results and positive financial flows, supporting growth.

## EVENTS SUBSEQUENT TO 31 MARCH 2015

On 23 April 2015, the Shareholders' Meeting resolved to fully balance out the losses of the Parent Company Il Sole 24 ORE S.p.A., which amount to €15,833,000, using the share premium reserve.

We note the new launch, beginning 13 April 2015, of Il Sole 24 ORE Monday edition, in a revamped format. This edition has been enriched with the news section Lavoro & Carriere, which examines professional opportunities in Italy and abroad, renewal of the column L'Esperto Risponde, with more services and new columns and the Risparmio & Famiglia advice, with more attention to professionals, and new e-books on current issues of interest to citizens. The price of this Monday edition is €2 from 13 April.

## FINANCIAL STATEMENTS

**Highlights of income statement**

HIGHLIGHTS OF THE CONSOLIDATED INCOME STATEMENT		
(in thousands of euro)	1 <sup>st</sup> quarter 2015	1st quarter 2014 restated
Revenue from sales and services	84,805	85,015
Other operating income	3,369	3,367
Personnel expense	(27,700)	(28,380)
Change in inventories	(1,348)	(1,055)
Purchase of raw materials and consumables	(2,006)	(3,324)
Service costs	(47,797)	(46,362)
Other operating costs	(7,057)	(7,721)
Provisions and allowances for impairment	(440)	(1,298)
<b>Gross operating profit (loss)</b>	<b>1,827</b>	<b>242</b>
Depreciation, amortisation and impairment losses	(3,948)	(3,648)
Net gains on disposal of intangible assets and property, plant and equipment	122	3
<b>Operating Result</b>	<b>(1,999)</b>	<b>(3,403)</b>
Financial income (expense)	(286)	(755)
Income/(expense) from equity investments	-	-
<b>Profit (loss) before tax</b>	<b>(2,285)</b>	<b>(4,158)</b>
Income taxes	(702)	(793)
<b>Profit (loss) from continuing operations</b>	<b>(2,987)</b>	<b>(4,951)</b>
Profit (loss) from discontinued operations	-	(794)
<b>Profit (loss) for the period</b>	<b>(2,987)</b>	<b>(5,745)</b>
Profit (loss) attributable to non-controlling interests	(170)	81
<b>Profit (loss) attributable to owners of the parent</b>	<b>(2,817)</b>	<b>(5,826)</b>

## GRUPPO 24 ORE

### INTERIM MANAGEMENT STATEMENT AS AT 31 MARCH 2015

#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euro)	Notes	31.03.2015	31.12.2014
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		43,906	45,414
Goodwill		18,382	18,147
Intangible assets		58,423	59,519
Investments in associates and joint ventures		20	20
Financial assets available for sale		909	909
Other non-current assets		27,455	26,977
Deferred tax assets		57,732	57,732
<b>Total</b>	(7)	<b>206,826</b>	<b>208,719</b>
<b>Current assets</b>			
Inventories		5,431	6,779
Trade receivables		114,676	112,032
Other loans		15,534	10,785
Other current assets		7,701	4,528
Cash and cash equivalents		30,822	34,476
<b>Total</b>	(8)	<b>174,164</b>	<b>168,601</b>
Assets held for sale		-	-
<b>TOTAL ASSETS</b>		<b>380,990</b>	<b>377,319</b>

**Statement of financial position****CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT.)**

(in thousands of euro)	Notes	31.03.2015	31.12.2014
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		35,124	35,124
Equity reserves		82,981	98,814
Hedging and translation reserves		(14)	(14)
Other reserves		13,703	13,703
Retained earnings (loss) brought forward		(21,990)	(28,012)
Profit (loss) attributable to owners of the parent		(2,817)	(9,811)
<b>Total</b>		<b>106,987</b>	<b>109,804</b>
<b>Equity attributable to non-controlling interests</b>			
Capital and reserves attributable to non-controlling interests		764	273
Profit (loss) attributable to non-controlling interests		(170)	491
<b>Total</b>		<b>594</b>	<b>764</b>
<b>Total equity</b>	(9)	<b>107,581</b>	<b>110,568</b>
<b>Non-current liabilities</b>			
Non-current financial liabilities		15,044	15,044
Employee benefits		27,070	27,457
Deferred tax liabilities		6,678	6,678
Provisions for risks and charges		9,885	11,304
Other non-current liabilities		0	0
<b>Total</b>	(10)	<b>58,677</b>	<b>60,483</b>
<b>Current liabilities</b>			
Bank overdrafts and loans - due within one year		36,968	17,197
Financial liabilities held for trading		19	19
Trade payables		140,370	149,877
Other current liabilities		177	44
Other payables		37,197	39,131
<b>Total</b>	(11)	<b>214,731</b>	<b>206,268</b>
Liabilities held for sale		-	-
<b>Total liabilities</b>		<b>273,408</b>	<b>266,751</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>380,990</b>	<b>377,319</b>

## Statement of Cash Flows

STATEMENT OF CASH FLOWS			
(in thousands of euro)	Notes	1 <sup>st</sup> quarter 2015	1st quarter 2014 restated
Profit (loss) before tax attributable to owners of the parent [a]		(2,115)	(5,837)
<b>Adjustments [b]</b>		<b>1,433</b>	<b>8,106</b>
Profit (loss) attributable to non-controlling interests		(170)	81
Depreciation, amortisation and impairment losses		3,948	6,754
(Gains) Losses		(122)	3
Profit (loss) from discontinued operations		-	794
Change in provisions for risks and charges		(1,419)	(123)
Change in employee benefit obligations		(387)	(47)
Change in deferred taxes		(702)	(248)
Financial income and expense		286	890
Other adjustments		-	2
<b>Changes in net working capital [c]</b>		<b>(20,524)</b>	<b>(9,165)</b>
Change in inventories		1,348	1,185
Change in trade receivables		(2,643)	(22,224)
Change in trade payables		(9,506)	27,563
Income taxes paid		-	-
Other changes in net working capital		(9,723)	(15,689)
<b>Total cash flow used in operating activities [d=a+b+c]</b>		<b>(21,206)</b>	<b>(6,896)</b>
<b>Cash flow used in investing activities [e]</b>		<b>(1,455)</b>	<b>(1,478)</b>
Investments in intangible assets and property, plant and equipment		(1,554)	(1,751)
Disposal of intangible assets and property, plant and equipment		123	39
Other changes in investing activities		(24)	234
<b>Cash flow from/(used in) financing activities [f]</b>		<b>2,059</b>	<b>10,467</b>
Net financial interest paid		(736)	(890)
Change in medium/long-term bank loans		-	(62)
Change in short-term bank loans		2,823	11,385
Change in equity attributable to non-controlling interests		(0)	34
Other changes in financing activities		(28)	-
<b>Cash flows used during the period [g=d+e+f]</b>		<b>(20,601)</b>	<b>2,093</b>
<b>CASH AND CASH EQUIVALENTS:</b>			
AT THE BEGINNING OF THE YEAR		24,829	(14,766)
AT THE END OF THE PERIOD		4,228	(12,673)
<b>INCREASE (DECREASE) FOR THE PERIOD</b>	<b>(12)</b>	<b>(20,601)</b>	<b>2,093</b>

***Net financial position***

<b>NET FINANCIAL POSITION</b>		
(in thousands of euro)	31.03.2015	31.12.2014
Cash and cash equivalents	30,822	34,476
Bank overdrafts and loans - due within one year	(36,968)	(17,197)
<b>Net short term financial position</b>	<b>(6,146)</b>	<b>17,278</b>
Non-current financial liabilities	(15,044)	(15,044)
Fair value changes in financial hedging instruments	(19)	(19)
<b>Net medium/long term financial position</b>	<b>(15,063)</b>	<b>(15,063)</b>
<b>Net financial position</b>	<b>(21,209)</b>	<b>2,215</b>

## NOTES TO THE FINANCIAL STATEMENTS

**General information**

The share capital of the Parent totals €35,123,787, represented by 90,000,000 ordinary shares and 43,333,213 special class shares. Their breakdown is as follows:

- 90,000,000 ordinary shares owned by Confindustria, accounting for 67.5% of all shares;
- 40,031,186 special-class shares listed on the Milan Bourse screen-based equity market (MTA – Mercato Telematico Azionario) of Borsa Italiana S.p.A. in the Standard segment (Class 1), accounting for 30.0% of all shares;
- 3,302,027 special-category treasury shares, accounting for 2.5% of all shares.

The company By-laws contain provisions whereby the controlling shareholders of the Issuer may not be changed. In particular, in accordance with Article 8 of the By-laws, shareholders may not hold more special-class shares than those that represent one fiftieth of the share capital plus one share, with the exception of the Issuer that owns them as treasury shares.

Il Sole 24 ORE S.p.A. special category shares are currently listed in the Standard (Class 1) segment on the MTA of Borsa Italiana S.p.A.

The stock identification codes are:

STOCK IDENTIFICATION CODES	
Name	Il Sole 24 ORE S.p.A.
ISIN	IT0004269723
Alphanumerical code	S24.MI
Reuters code	S24.MI
Bloomberg code	S24 IM

The companies included in the scope of consolidation of the Group as at 31 March 2015 were:

- **Il Sole 24 ORE S.p.A.**, the Parent, which acts both as the holding company for majority investments in Group companies, and as an operating company, by performing core business activities (general, financial and professional news and information, press agency, etc.);
- **Il Sole 24 ORE UK Ltd.**, which mediates for the sale of advertising space in the United Kingdom;
- **24 ORE Cultura S.r.l.**, specialised in products dedicated to art and photography and in the organisation of shows and events.
- **Il Sole24 ORE – Trading Network S.p.A.**, which performs agency activities for the distribution of Group and third-party products;
- **Shopping 24 S.r.l.**, an e-commerce and online marketing company;

- **Newton Management Innovation S.p.A.**, a company active in training services;
- **Newton Lab S.r.l.**, a company active in training services. The company is indirectly controlled through Newton Management Innovation S.p.A.;
- **BacktoWork 24 S.r.l.**, specialised in the production and development of communications projects through the creation and management of a portal that aims to bring together managers and small businesses. The company is indirectly controlled through Shopping 24 S.r.l.;
- **MostraMi S.r.l.**, which operates in the ticketing and reception area for exhibitions and events. The company is indirectly controlled through 24 ORE Cultura S.r.l.;
- **Food 24 Giuele S.r.l.**, which operates in the restaurant sector. The company is indirectly controlled through 24 ORE Cultura S.r.l..

Compared with the latest approved financial statements, the changes to the scope of consolidation were as follows:

- On 9 February 2015, the subsidiary 24 ORE Cultura S.r.l. acquired 100% of the share capital of MostraMi S.r.l., which operates in the ticketing and reception areas for exhibitions and events.
- On 5 March 2015, the company Food 24 Giuele S.r.l. was established. 24 ORE Cultura S.r.l. holds 51% of the share capital of the latter company. The company will operate in the restaurant area, within the Ansaldo project.

The registered and administrative offices of Il Sole 24 ORE S.p.A. are located at Via Monte Rosa 91, Milan, Italy. Confindustria (the Confederation of Italian Industry) controls the parent.

### ***Format, content, and reporting standards***

The interim management statement for the three-month period ended on 31 March 2015 was prepared on the assumption that the Company is operated on a going concern basis, by using the recognition and measurement criteria set out in International Accounting Standards (IAS/IFRS), consistently with those used to prepare the last financial statements.

The interim financial statements were prepared pursuant to article 154-ter of Italian Legislative Decree no. 58 dated 24 February 1998, an article which has been inserted by article 1 of Italian Legislative Decree 195 of 6 November 2007.

The interim management statement was not subject to audit.

The financial statements presented include:

1. Consolidated income statement for the first three months of 2015, with comparison data for the same period of 2014. Compared to the financial statements as at 31 December 2014, this income statement is drafted in condensed form and comprises items related to revenues, which are detailed in the explanatory notes;

2. Consolidated statement of financial position as at 31 March 2015, with comparison data from the latest approved financial statements;
3. Statement of cash flows for the first three months of 2015, with comparison data for the same period of 2014;
4. Net financial position as at 31 March 2015, with breakdown of assets and liabilities into short-term or medium-term components and with comparison data from the latest approved financial statements.

Lastly, note that the consolidated interim results of the 24 ORE Group are affected by seasonal elements, particularly with regard to sales of the daily newspaper, advertising revenue and the performance of the professional publishing segment.

The following section provides an illustration of the financial statements, with an indication of the most significant changes and related causes for the most important items.

## NOTES TO THE FINANCIAL STATEMENTS

### ***Income statement***

#### **(1) Revenue**

Revenue amounted to €84,805 thousand, in line with the same period of the previous year.

The breakdown by operating segment is provided below.

REVENUE BY OPERATING SEGMENT				
(in thousands of euro)	1 <sup>st</sup> Quarter 2015	1 <sup>st</sup> Quarter 2014 Restated	Change	% change
Publishing	58,212	60,141	(1,929)	-3.2%
System	33,275	32,125	1,151	3.6%
Training	8,737	7,728	1,009	13.1%
Culture	5,458	5,346	112	2.1%
Other areas	551	1,000	(448)	-44.8%
Eliminations	(21,428)	(21,323)	(104)	-0.5%
<b>Group (Consolidated)</b>	<b>84,805</b>	<b>85,015</b>	<b>(210)</b>	<b>-0.2%</b>

#### **(2) Personnel**

Personnel expense was €27,700 thousand, compared to €28,380 thousand for the same period last year.

The improvement of €688 thousand, equal to 2.4%, is mainly attributable to the decrease in the average number of employees by 51 persons, compared to 31 March 2014.

The number of employees by category is as follows:

EMPLOYEES						
AVERAGE HEADCOUNT	1st quarter 2015		1st quarter 2014		Change	
	Number	%	Number	%	Number	%
Managers	45.3	3.8%	49.0	3.9%	(3.7)	-7.5%
Journalists	344.7	28.6%	359.9	28.6%	(15.2)	-4.2%
White-collars	752.1	62.3%	757.9	60.3%	(5.8)	-0.8%
Blue-collars	64.3	5.3%	90.3	7.2%	(26.0)	-28.8%
<b>Total</b>	<b>1,206.5</b>	<b>100.0%</b>	<b>1,257.1</b>	<b>100.0%</b>	<b>(50.6)</b>	<b>-4.0%</b>

### (3) Gross operating profit (loss)

The interim result of gross operating profit (EBITDA), before depreciation and amortisation, impairment losses on fixed assets and capital gains/losses from asset disposals, amounted to €1,827 thousand, compared to a positive EBITDA of €242 thousand in the first quarter of 2014.

### (4) Operating profit (loss)

The operating loss was €1,999 thousand, an improvement of €1,404 thousand compared to the same period of the previous year.

The value of amortisation/depreciation and impairment in the first three months of 2015 amounted to €3,948 thousand and is compared with an amount of €3,648 thousand for 2014.

### (5) Financial income (expenses)

FINANCIAL INCOME (EXPENSE)				
(in thousands of euro)	1st quarter 2015	1st quarter 2014 restated	Change	% change
Financial income from investment of surplus cash	3	6	(3)	-45.1%
Other financial income	479	165	315	191.2%
Foreign exchange gains	-	14	(14)	-100.0%
<b>Total income</b>	<b>482</b>	<b>185</b>	<b>298</b>	<b>161.2%</b>
Foreign exchange losses	(64)	(23)	(41)	-175.2%
Financial expenses on short-term borrowings	(507)	(650)	143	22.0%
Other financial expenses	(197)	(267)	70	26.3%
<b>Total expenses</b>	<b>(768)</b>	<b>(940)</b>	<b>172</b>	<b>18.3%</b>
<b>Total</b>	<b>(286)</b>	<b>(755)</b>	<b>470</b>	<b>62.2%</b>

Net financial expenses amounted to €286 thousand and are broken down as follows:

- €768 thousand of financial expenses mainly for the use of short-term credit lines from banks and the syndicated medium term loan and the factoring of trade receivables;

- €482 thousand of financial income increased mainly due to the higher financial income relative to interest income accrued on the vendor loans granted to TeamSystem, in relation to this sale of the Software area.

## (6) Income taxes

Income taxes are calculated using the rate expected to be applied at the end of the year.

In this period no deferred tax assets related to IRES tax are recorded due to the long recovery period.

The taxes for the period are therefore negative by €702 thousand, as compared with €793 thousand in the same period of 2014.

There is no material difference in the tax rates applied to the various companies of the Group. No foreign company benefits from preferential tax treatment. For the foreign shareholdings, Italian taxes have been allocated and are to be paid upon the distribution of dividends.

## Statement of financial position

The statement of financial position can be summarised in the following items:

HIGHLIGHTS OF THE STATEMENT OF FINANCIAL POSITION		
(in thousands of euro)	31.03.2015	31.12.2014
Non-current assets	206,826	208,719
Current assets	174,164	168,601
Available-for-sale assets	-	-
<b>Total assets</b>	<b>380,990</b>	<b>377,319</b>
Equity attributable to owners of the parent	106,987	109,804
Equity attributable to non-controlling interests	594	764
<b>Total equity</b>	<b>107,581</b>	<b>110,568</b>
Non-current liabilities	58,677	60,483
Current liabilities	214,731	206,268
Available-for-sale liabilities	-	-
<b>Total liabilities</b>	<b>273,408</b>	<b>266,751</b>
<b>Total equity and liabilities</b>	<b>380,990</b>	<b>377,319</b>

## (7) Non-current assets

Non-current assets amounted to €206,826 thousand compared with €208,719 thousand as at 31 December 2014, down by €1,893 thousand.

Property, plant, equipment and intangible assets decreased by €2,605 thousand, due to the amortisation of intangible assets and depreciation of property, plant and equipment for €3,948 thousand, partially offset by the investments, equal to €1,320 thousand overall.

The changes in property, plant, equipment and intangible assets as at 31 March 2015 were as follows:

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS						
(in thousands of euro)	Opening balance	Purchases	Disposals	Amortisation and depreciation	Reclassifications and other changes	Closing balance
Property, plant and equipment	45,414	385	(1)	(1,878)	(15)	43,906
Intangible assets	59,519	935	-	(2,070)	38	58,423
<b>Total</b>	<b>104,933</b>	<b>1,320</b>	<b>(1)</b>	<b>(3,948)</b>	<b>24</b>	<b>102,328</b>

Investments in intangible assets amounted to €935 thousand and refer mainly to licenses and software for the development of new product and management and administration systems.

The investments in property, plant and equipment totalled €385 thousand and relate mainly to hardware.

Depreciation of property, plant and equipment and amortisation of intangible assets amounted to €3,948 thousand, calculated in relation to their estimated useful life, which did not change compared to the latest approved financial statements. Amortisation/depreciation commences from the start of use.

The goodwill recognized as at 31 March 2015 is equal to €18,382 thousand, up by €234 thousand due to the acquisition of MostraMi S.r.l., a company which operates in ticketing for exhibitions and cultural activities.

## (8) Current assets

Current assets amounted to €174,164 thousand compared to €168,601 thousand at the beginning of the year, up by €5,563 thousand. The trade receivables which have increased by €2,643 thousand, due to seasonality, and the receivables from social security institutions have affected this change upwards.

## (9) Equity

The equity of the Group totalled €107,581 thousand, recording a decrease compared to the financial statements as at 31 December 2014 due to the following changes:

STATEMENT OF CHANGES IN EQUITY										
(in thousands of euro)	Share capital	Equity reserves	Revaluation reserves	Hedging and translation reserves	Other reserves	Retained earnings (Loss) brought forward	Loss for the year	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
Balance as at 1 January 2015	35,124	98,814	-	(14)	13,703	(28,012)	(9,811)	109,804	764	110,568
Total income/expenses recognised directly in equity	-	-	-	-	-	-	-	-	-	-
Loss for the year	-	-	-	-	-	-	(2,817)	(2,817)	(170)	(2,987)
Total income/expenses recognised in the year	-	-	-	-	-	-	(2,817)	(2,817)	(170)	(2,987)
Change in 2014	-	(15,833)	-	-	-	6,022	9,811	-	-	-
Dividend/distribution reserve	-	-	-	-	-	-	-	-	-	-
Movements between reserves	-	-	-	-	-	-	-	-	-	-
Balance as at 31 2015	35,124	82,981	-	(14)	13,703	(21,990)	(2,817)	106,987	594	107,581

## (10) Non-current liabilities

**Non-current liabilities** totalled €58,667 thousand, compared to €60,483 thousand at the beginning of the year and are down by €1,816 thousand. The change is attributable mainly to the decrease in the provision for risks due to the non-occurrence of the risks and liability of a contractual nature.

## (11) Current liabilities

**Current liabilities** totalled €214,731 thousand, up €8,463 thousand over the €206,268 thousand reported at the beginning of the year. Bank overdrafts and loans increased by €19,771 thousand. Trade payables have decreased by €9,506 thousand.

## (12) Statement of cash flows

**Total cash flows** were negative by €20.6 million compared to the total for the same period last year (positive by €2.1 million).

**Cash flow used in operating activities** was negative by €21.2 million, compared to the negative €6.9 million the previous year, which was attributed mainly to the dynamics of the net working capital.

**Cash flow used in investing activities** was negative by €1.5 million, consisting mainly of operating investments.

**Cash flow from/(used in) financing activities** was positive by €2.1 million, compared to the positive €10.5 million recorded in the same period of the previous year.

**(13) Net financial position**

The **net financial position** is negative by €21.2 million, compared to a value of €+2.2 million as at 31 December 2014 and has decreased mainly due to the performance of the net working capital, in relation to the dynamics of the payments of the beginning of the year, the differing seasonality of the collections and the net investments.

## EXHIBITS

**Consolidated income statement highlights on a like-for-like basis**

<b>HIGHLIGHTS OF THE CONSOLIDATED INCOME STATEMENT ON A LIKE-FOR-LIKE BASIS</b>		
(in thousands of euro)	1st quarter 2015	1st quarter 2014
Revenue from sales and services	84,805	84,339
Other operating income	3,369	3,356
Personnel expense	(27,700)	(27,891)
Change in inventories	(1,348)	(1,054)
Purchase of raw materials and consumables	(2,006)	(3,323)
Services	(47,797)	(45,184)
Other operating costs	(7,057)	(7,612)
Provisions and allowances for impairment	(440)	(1,207)
<b>Gross operating profit/(loss)</b>	<b>1,827</b>	<b>1,424</b>
Depreciation, amortisation and impairment losses	(3,948)	(3,642)
Net gains on disposal of intangible assets and property, plant and equipment	122	3
<b>Operating loss</b>	<b>(1,999)</b>	<b>(2,214)</b>
Net financial income (expense)	(286)	(755)
<b>Loss before tax</b>	<b>(2,285)</b>	<b>(2,970)</b>
Income Taxes	(702)	(793)
<b>Loss on a like-for-like basis</b>	<b>(2,987)</b>	<b>(3,763)</b>
Profit (loss) from discontinued operations	-	(794)
Profit (loss) from discontinuing operations	-	(1,188)
Profit (loss) attributable to non-controlling interests	(170)	81
<b>Loss attributable to owners of the parent</b>	<b>(2,817)</b>	<b>(5,826)</b>

**Seasonality of Group business**

The Group's business is subject to seasonality, consisting of a slowdown in revenues – both from circulation and, above all, advertising – in the summertime.

<b>QUARTERLY RESULTS</b>					
(in thousands of euro)	1st Quarter of 2014	2nd Quarter of 2014	3rd Quarter of 2014	4th Quarter of 2014	1st Quarter of 2015
Revenue	84,339	78,780	57,186	89,744	84,805
Gross operating profit/(loss)	1,424	(2,658)	(15,237)	5,811	1,827
Operating loss	(2,214)	(6,490)	(19,087)	1,984	(1,999)

The figures shown above are merely provided for reference purposes and may not be used in forecasting future results.

## OUTLOOK

Again in the first few months of 2015, the recession has continued to have a negative impact on revenue and on publishing industry margins, albeit to a lesser extent than in previous years. The expectations for 2015 provide for a positive change in GDP with economic recovery of 0.7% expected for Italy (*source: Confindustria Study Centre*).

The advertising market trend in the first 2 months of 2015 was still negative, with differing effects on the various media. The forecast for the advertising market in 2015 are currently rather uncertain.

The macro-economic dynamics indicated above are reflected in the forecasts contained in the 2015-2019 plan.

The Group continues to pursue activities aimed at optimizing processes and reducing costs.

In 2015 the Group will continued to strengthen and expand commercial initiatives already begun in 2014 and it will continue to focus on actions aimed at increasing revenue, proceeding in particular with the development of new products launched in 2014. The offer has been further reinforced in 2015 with the launch of new databases for the professional market in the employment and legal sectors and new digital products for the technical market.

For the year underway, the Group will be continuing its development of digital product and vertical dailies, supported by the increasing integration of all the professional content of Il Sole 24 ORE, to compensate for the expected drop in traditional paper publishing. The Culture Area will expand its activities, with international initiatives and the opening of the Museo delle Culture on via Tortona in Milan, which took place at the end of March. The Training Area will also take advantage of the possibility is provided by the via Tortona premises, with the launching of the Mudec Academy and new training initiatives and events connected to it.

As things currently stand, and in the absence of currently unforeseeable events, the Group continues to closely monitor the reference scenario, which is still burdened by a high degree of uncertainty - particularly as regards advertising market performance. Considering this environment, the EBITDA is expected to improve this year compared to that recorded in 2014.

Milan, 12 May 2015

The Chairman of the Board of Directors

Benito BENEDETTI

(signed on the original)

***Declaration pursuant to article 154-bis, paragraph 2 of Italian Legislative Decree no. 58 of 24 February 1998 as subsequently amended and supplemented***

The Corporate Financial Reporting Manager, Valentina Montanari, hereby certifies that the economic and financial data in this interim management statement is consistent with the corporate books and accounting records.

Milan, 12 May 2015

The Corporate Financial  
Reporting Manager  
Valentina MONTANARI  
(signed on the original)